

1 can't self-jurisdictionalize intrastate traffic; is
2 that correct?

3 MR. D'AMICO: In our billing system,
4 correct.

5 MR. MONROE: So, under Verizon's current
6 network arrangement, it will always have to use the
7 factors to determine if a call is local, and under
8 WorldCom's proposal Verizon would continue doing
9 that.

10 MR. D'AMICO: Correct.

11 MR. MONROE: Now, let's talk about the
12 alternative proposal that WorldCom alluded to. And
13 just to repeat it, I think WorldCom's proposal was
14 for the traffic for which CPN was not passed that
15 WorldCom offered to provide billed telephone
16 number, or BTN, or other numbers so that Verizon
17 would be able to jurisdictionalize the traffic
18 without CPN; is that correct? Do you agree with me
19 that WorldCom made that proposal to Verizon?

20 MR. D'AMICO: Yes.

21 MR. MONROE: And then I'm inferring from
22 what you said that Verizon's objection to that

1 proposal is that WorldCom, because it's creating
2 that number to provide to Verizon, WorldCom could
3 manipulate that number and provide a false number;
4 is that correct?

5 MR. D'AMICO: I'm sure that WorldCom would
6 never do that, but some other carrier could think
7 about it.

8 MR. MONROE: I appreciate that, but that
9 is your concern, though; is that correct?

10 MR. D'AMICO: Yes.

11 MR. MONROE: And just so the record is
12 clear, the billed's telephone number would be a
13 number associated with the WorldCom customer but
14 not necessarily the specific number from which a
15 call originated; is that right?

16 MR. D'AMICO: That's typically how it
17 works, but you could also assign a fictitious
18 number to a group or something like that you see
19 all these calls coming in over one big main number
20 that has sort of a miscellaneous type of a number.

21 MR. MONROE: Okay. And I think you
22 mentioned earlier that you didn't intend for your

1 proposal to be punitive or to penalize WorldCom,
2 but wouldn't you agree with me that your proposal
3 has the potential to do just that?

4 MR. D'AMICO: Understanding your
5 circumstances, if you have a lot of PBXs that fall
6 outside of our kind of 10 percent grace thing, yes.

7 MR. MONROE: Okay. Let's take a look at
8 issue IV-37.

9 Mr. Edwards, I was hoping to shortcut a
10 little bit of this. I believe several sections of
11 this language have been agreed to, but I would like
12 to clarify that that's the case.

13 MR. D'AMICO: Is this the last issue?

14 MR. MONROE: This is the last issue.

15 MR. EDWARDS: Okay.

16 MR. MONROE: My understanding, looking at
17 the WorldCom language, is 4.9.2, 4.9.3, 4.9.4,
18 4.9.5, 4.9.6, 4.9.11, 4.9.12, 4.9.13, 4.9.15, and
19 4.9.16 are all agreed to. And that understanding
20 is based on e-mails passed between counsel after
21 the mediation.

22 MR. EDWARDS: I think I have to respond

1 this way: There was a significant exchange of
2 information on various parts of the WorldCom
3 language. The problem was we could never get over
4 the initial hurdle that we faced on a number of
5 issues of WorldCom of which issue to start from,
6 whether it was the WorldCom language or the Verizon
7 language. And we never reached final agreement on
8 any of these provision, I don't think. It clearly
9 was we exchanged information, and we clearly are
10 close at least in principle, but we did not have
11 agreement on any of these issues.

12 MR. MONROE: Okay. Let me refer you to
13 page 27 of Verizon 9, which is your August 17th
14 direct.

15 MR. EDWARDS: Just one second. I may have
16 a bit of clarifying information.

17 Where we thought we were on this language
18 with respect to discussions that I understood took
19 place between Ron Martinez on behalf of you all and
20 Mike Tataglioni on behalf of Verizon, we reflected
21 in our language that's in the JDPL. That's where
22 we thought we were with respect to those

1 discussions. So, those modifications are reflected
2 in the language that we proposed.

3 MR. MONROE: Okay.

4 MR. D'AMICO: And in many instances I
5 think it's very close, but I haven't done a
6 one-to-one comparison, and I'm guessing you haven't
7 done either.

8 MR. MONROE: No.

9 MR. D'AMICO: Where are we?

10 MR. MONROE: Looking at page 27 of Verizon
11 9, your August 17th direct.

12 MR. D'AMICO: All right.

13 MR. MONROE: And I'm looking at the last
14 four lines on the page 19 through 22, where you
15 state, (reading) Verizon Virginia's proposed
16 language addresses fully the meet-point billing
17 issue. WorldCom simply proposes different language
18 and does not raise any specific issue with Verizon
19 Virginia's proposed language, and in this situation
20 Verizon Virginia's proposed language should be
21 adopted.

22 Is that your testimony?

1 MR. D'AMICO: Yep.

2 MR. MONROE: Could you explain the basis
3 for the conclusion you draw in that testimony.

4 MR. D'AMICO: Again, without going through
5 each one of the issues, our language, which is
6 rather extensive, addresses, I think, somewhere I
7 read in here that WorldCom had four concerns, that
8 first Verizon's language is inconsistent with
9 MECAB, and I think 9.1 addresses that.

10 Your concern with the 30-day window,
11 you're saying it's too long. We are actually
12 saying in Section 9.2.dot--I'm sorry--9.12 that
13 errors should be reported within two days but no
14 longer than 30 because we felt you needed to put
15 some end date to that process.

16 You mentioned that we failed to address
17 electronic media. That's addressed in 9.8, and you
18 also mentioned that we fail to address carrier
19 responsibility, and I think on that issue
20 WorldCom's position is that if the parties lose the
21 records or something happens, we can't re-create
22 it. We estimate it, and then we try to bill the

1 interexchange carriers. But if the interexchange
2 carrier does not pay, then Verizon would be
3 responsible for that. Again, our concern is that
4 as soon as the interexchange carriers figure that
5 out, they will say, "We are not responsible," and
6 they figure you will get it off from Verizon, so we
7 are concerned with that.

8 So, that's just the four points that I
9 noticed in the WorldCom testimony.

10 MR. MONROE: Okay. But I wasn't really
11 asking about specific contract provisions. I was
12 asking how you came to the conclusion or what the
13 basis for your conclusion is that where the two
14 parties proposed different language that Verizon's
15 language should be adopted.

16 MR. D'AMICO: Because it addresses all of
17 the concerns in the issues.

18 MR. MONROE: Well, is it Verizon's
19 position that Verizon's language is something like
20 the default language, and that if there weren't
21 substantive differences, and I'm--without
22 addressing if there are or not, but if there are

1 not substantive differences that Verizon's language
2 should be adopted?

3 MR. D'AMICO: I think we have incorporated
4 all of WorldCom's concerns into our language. We
5 are trying to work from a common document.

6 MR. MONROE: Is that a yes or a no?

7 MR. D'AMICO: I'm working from Verizon's
8 language.

9 MR. DYGERT: I think we understand that
10 neither side necessarily has the trump card when it
11 comes to whose language you start with, so if you
12 want to ask the witnesses about specific aspects of
13 the language, I would appreciate it.

14 MR. MONROE: That's certainly our
15 position. What I was really trying to find out is
16 if it is Verizon's position that they do have the
17 trump card or that there is some law or regulation
18 which would cause their language to be defaulted.
19 We don't believe it is. I was just trying to
20 establish that since that was the inference I drew
21 from their testimony.

22 MR. DYGERT: I think you can move on to

1 the next question.

2 MR. MONROE: Thank you.

3 Looking on page 27 of your testimony, you
4 talk about the billing percentages under the MECAB
5 guidelines; is that correct?

6 MR. D'AMICO: Line 15?

7 MR. MONROE: Yes.

8 MR. D'AMICO: Okay.

9 MR. MONROE: Now, in Verizon's proposal, I
10 believe Verizon specifies a particular method of
11 determining the billing percentages; is that
12 correct?

13 MR. D'AMICO: Yes.

14 MR. MONROE: Would you agree with me that
15 the MECAB guidelines list several options for
16 determining the billing percentages and merely call
17 for the parties to agree on which of those methods
18 to use?

19 MR. D'AMICO: I believe that's the case.
20 MECAB, it's pretty big. What we were trying to do
21 is find how to do it.

22 MR. MONROE: Well, by your proposal, were

1 you intending to preclude the parties from agreeing
2 to use the other methods?

3 MR. D'AMICO: I guess there could be
4 situations--and again, we looked at the options,
5 and we felt that this was the appropriate way to
6 calculate it.

7 MR. MONROE: Thank you. I have no more
8 questions.

9 MS. DAILEY: Can I follow up on that
10 last--can you tell us why you thought it was the
11 appropriate way to calculate it as opposed to the
12 other ones.

13 MR. D'AMICO: I can't because I'm not that
14 involved in it, but in talking to some of our folks
15 back on the ranch kind of thing, that's their view
16 of it. I guess if there was another option that
17 made sense for a particular circumstance, that we
18 would be open to doing that.

19 So, I guess our intent wasn't to write it
20 in concrete. We viewed it, we thought that was the
21 appropriate option.

22 MS. DAILEY: Thanks.

1 MR. DYGERT: Any cross from Verizon?

2 MR. EDWARDS: I do. I didn't before, but
3 I have a couple of questions.

4 CROSS-EXAMINATION

5 MR. EDWARDS: This is Jeff Edwards on
6 behalf of Verizon, and I have a couple of questions
7 that relate to issue IV-11.

8 MR. ARGENBRIGHT: Okay.

9 MR. EDWARDS: Do you know whether WorldCom
10 currently serves any residential customers in
11 Commonwealth of Virginia?

12 MR. ARGENBRIGHT: The--WorldCom does not
13 serve any residential customers in Virginia.

14 MR. EDWARDS: Is it currently marketing to
15 any residential customers?

16 MR. ARGENBRIGHT: I believe the answer to
17 that is no.

18 MR. EDWARDS: Do you know--first, with
19 respect to the contract language, is it your
20 understanding that Verizon's original position with
21 respect to the percentage of CPN--the percentage of
22 traffic that would contain CPN information was

1 95 percent?

2 MR. ARGENBRIGHT: Yes. I saw it in the
3 original direct testimony--I believe it was
4 direct--at some point the percentage discussed was
5 95 percent, and then subsequently that was changed
6 to 90 percent.

7 MR. EDWARDS: And do you know what
8 precipitated the change from 95 percent to
9 90 percent?

10 MR. ARGENBRIGHT: I do not know.

11 MR. EDWARDS: Do you know whether WorldCom
12 has done any analysis of its traffic in Virginia to
13 determine where it could provide CPN information on
14 at least 90 percent of that traffic?

15 MR. ARGENBRIGHT: I'm not aware of any
16 specific analysis, no.

17 MR. EDWARDS: So, is it fair to say, then,
18 that if the 90 percent language is used in the
19 contract you don't know whether WorldCom has a
20 problem or does not have a problem meeting that
21 90 percent threshold?

22 MR. ARGENBRIGHT: In terms of specifically

1 meeting it, I do not know, but I know we are
2 comfortable with a 90 percent threshold.

3 MR. EDWARDS: I don't have any other
4 questions.

5 MR. DYGERT: All right.

6 QUESTIONS FROM STAFF

7 MR. STANLEY: Mr. Argenbright, this is
8 John Stanley from the FCC.

9 MR. ARGENBRIGHT: Yes, sir.

10 MR. STANLEY: Can you explain what you
11 mean by WorldCom is comfortable with the 90 percent
12 threshold.

13 MR. ARGENBRIGHT: I believe we--by that we
14 confidence in our ability to see CPN being passed
15 on our network. As I stated in my testimony, if we
16 get CPN, we pass it. And I presume our billing
17 folks, of which I'm not one of, are, based on their
18 experience in all those markets that we do this in,
19 that the 90 percent threshold is realistic.

20 MR. STANLEY: Just one more time,
21 90 percent threshold is realistic what? Let me put
22 words in your mouth. That it's realistic that

1 WorldCom could provide CPN on 90 percent of its
2 calls? Ninety percent of its end-user calls would
3 have a CPN attached to them?

4 MR. ARGENBRIGHT: Again, I don't know that
5 that's a number we know--you're asking do we know
6 of the traffic we get is 90 percent of it coming
7 with CPN, and I don't know the answer to that
8 question.

9 MR. STANLEY: So, I guess I'm wondering
10 why you forget--I forget what your word was, but
11 you said 90 percent was realistic or appropriate.

12 MR. ARGENBRIGHT: Yeah, that is our
13 proposed language. We proposed that same
14 threshold, and I guess that's what I'm drawing my
15 conclusion from, that our billing people have
16 signed off on that 90 percent threshold.

17 MR. STANLEY: Okay. I guess for Verizon,
18 could you tell me what does a party base its PLI or
19 PLU on? How is that type of number derived?

20 MR. D'AMICO: When we are verifying a
21 CLEC's PLU? Is that the question?

22 MR. STANLEY: I guess it's when a CLEC is

1 figuring out what its PLU is. Does it pull it out
2 of thin air? Does it--how does it arrive at its
3 PIU or PLU?

4 MR. D'AMICO: It looks at originating and
5 terminating points, and does either a sampling or
6 looks at all of the minutes and reports based on
7 that.

8 MR. STANLEY: Okay. So, if an audit were
9 performed, would there be supporting
10 information--would a CLEC be expected to have some
11 supporting information for its figures?

12 MR. D'AMICO: Yes.

13 MR. STANLEY: Okay. Just one more
14 question for Mr. Argenbright. I think you were
15 asked just a minute ago whether WorldCom had
16 performed any kind of statewide study or any kind
17 of analysis of what percentage of its calls had a
18 CPN attached.

19 Do you have any information, any idea
20 about whether so-called old PBXs are common in
21 Virginia? Whether many of WorldCom's customers use
22 old PBXs?

1 MR. ARGENBRIGHT: I don't know the answer
2 to that, no.

3 MR. STANLEY: Okay. Thanks.

4 MR. DYGERT: Mr. D'Amico, on the topic of
5 auditing a CLEC's PLU and PIU percentages or
6 figures, would it be a credible--would it be a
7 response that Verizon would accept to an audit
8 request like that from the CLEC for the CLEC to
9 say, "Sorry, I don't have information that you can
10 use to verify those figures"?

11 MR. D'AMICO: We have received that
12 response.

13 MR. DYGERT: What do you do when you
14 receive that response?

15 MR. D'AMICO: We have some SF7 monitoring
16 surveillance device available to us. It's type of
17 an adjunct type process where we are not looking at
18 the billing data but the SF7 network in the links.

6:00 19 By looking at that, we could look at the
20 CPN, and that's the first thing we try to look at.
21 Obviously, if there is no CPN, that's where we kind
22 of run into some problems, and it's just a matter

1 of us trying to get the CLEC to make us
2 comfortable, that either the data that they're
3 giving us is acceptable or reasonable, or if they
4 are giving us no data and just saying, "Leave me
5 alone, just trust me," the more we hear that type
6 of an answer, the more suspicious we get.

7 MR. DYGERT: Does your SF7 information you
8 just referred to allow you to perform an audit that
9 you would otherwise perform based on the
10 information from the CLEC?

11 MR. D'AMICO: Yes. If CPN is there. It's
12 not there, you could look at the calls all you
13 want, but you really don't know where they are
14 coming from.

15 MR. DYGERT: But, for instance, it would
16 allow you to perform some auditing function if the
17 CLEC were--in fact, if CPN were available, but they
18 were claiming--never mind.

19 MS. DAILEY: I have a few questions on
20 issue IV-37. I'm going to ask some clarifying
21 questions first.

22 With respect to this traffic, this